

**MINUTES OF THE JOINT EXECUTIVE APPROPRIATIONS
COMMITTEE MEETING
February 24, 2011 at 5:15 P. M.
Room 210, Senate Building, State Capitol Complex**

Members Present: Sen. Lyle W. Hillyard, Co-Chair
Rep. Melvin R. Brown, Co-Chair
Sen. Dennis E. Stowell, Vice Chair
Rep. John Dougall, Vice Chair
Rep. Brad L. Dee
Rep. Gregory H. Hughes
Sen. Patricia W. Jones
Rep. Brian S. King
Sen. Peter C. Knudson
Rep. David Litvack
Rep. Rebecca D. Lockhart, Speaker
Rep. Ronda Rudd Menlove
Sen. Karen W. Morgan
Sen. Wayne L. Niederhauser
Sen. Ross I. Romero
Rep. Jennifer M. Seelig
Sen. Michael G. Waddoups, President
Rep. Christine F. Watkins

Members Absent: Sen. Scott K. Jenkins
Sen. Benjamin M. McAdams

Staff Present: Jonathan Ball, Legislative Fiscal Analyst
Steven Allred, Deputy Director
Greta Rodebush, Legislative Secretary
Karen Mitchell, Committee Secretary

Speakers Present: Adjutant General Brian L. Tarbet, Utah National Guard
Terry Schow, Department of Veterans' Affairs
Allyson Gamble, Capitol Preservation Board

Note: A copy of related materials and an audio recording of the meeting can be found at www.le.utah.gov.

A list of visitors and a copy of handouts are filed with the committee minutes.

1. Approval of Minutes

Co-Chair Brown called the meeting to order at 5:30 p.m. and welcomed committee members. He explained that in the recent reorganization of appropriations subcommittees, a few agency budgets were assigned directly to the Executive Appropriations Committee. In tonight's meeting, the committee would hear from those agencies: the Utah National Guard, the Department of Veterans' Affairs, and the Capitol Preservation Board.

Co-Chair Brown noted that issue and budget briefs for each agency were located behind Tab 10 in the committee binders.

Co-Chair Brown recognized Co-Chair Hillyard for a motion.

MOTION: Co-Chair Hillyard moved to approve the minutes of the Joint Executive Appropriations Committee meetings of January 31, 2011 and February 22, 2011. The motion passed unanimously with Sen. Niederhauser, Speaker Lockhart, Rep. Hughes, Rep. Litvack, and Rep. King absent for the vote.

2. Agency Budget Reviews

A. Utah National Guard - (Tab 10)

Mark Bleazard, LFA, presented the Budget Brief, "Utah National Guard," and the Issue Brief, "National Guard Fees FY 2012."

Mr. Bleazard stated that House Bill 9 appropriated a base budget of \$35,862,900 for the Utah National Guard for FY 2012. By statute, the federal funds for the Utah National Guard are exempt from provisions of 63J-5-201; therefore, a federal funds sheet was not provided in the budget detail. However, the Utah National Guard expects to receive \$31,306,400 in federal funding.

Under legislative action, the Analyst recommended consideration of the following requests: \$500,000 ongoing General Fund for the Tuition Assistance Program; \$162,000 from the General Fund and \$235,500 from federal funds to complete the unfunded portion of utility costs for FY 2012; authorization to expend \$529,400 in FY 2011 and \$940,800 in FY 2012 from federal funds to initiate the Family Assistance Program; and \$24,600 General Fund and \$73,80 federal funds for operations and maintenance of two new National Guard facilities and the purchase of one additional vehicle.

Mr. Bleazard noted that the Utah National Guard is requesting nonlapsing intent language for \$25,000 in the Tuition Assistance Program and \$50,000 for Armory Maintenance. In addition, intent language regarding excess expenditures in the Utah National Guard - Armory Maintenance from Federal Funds - American Recovery and Reinvestment Act was needed.

Finally, Mr. Bleazard stated that the fees proposed for the services of the National Guard for FY 2012 are the same as the current fiscal year.

Agency Response

Brian L. Tarbet, Adjutant General, Utah National Guard, introduced Colonel Scott Olson and Retired Air Guard Command Chief Todd Valline, and requested that a fact sheet entitled "Utah National Guard Budget Request - FY 11/12," be distributed to the committee members.

Gen. Tarbet stated that more than 97 percent of the total Utah National Guard's budget comes from the federal government, and that for every dollar cut in state funds, the National Guard loses three federal dollars. Gen. Tarbet indicated that the funds the Legislature will appropriate to the National Guard will be used primarily for armory acquisition and armory maintenance throughout the state. Gen. Tarbet indicated that the Utah National Guard is requesting that the Legislature restore the 7 percent budget reduction reflected in House Bill 9.

Gen. Tarbet proceeded to highlight state funding needs for the Tuition Assistance Program, infrastructure operation and maintenance, utility rate shortfalls, the Air National Guard Composite Fire Station, and the Equipment Sensitive Compartmental Information Facility (SCIF). He also commented on a reinstatement of DFCM contract maintenance cuts and nonlapsing intent language for the Tuition Assistance Program and Armory Maintenance.

General Tarbet thanked the committee for its past efforts on behalf of the Utah National Guard. He stated that there has been a marked payoff in terms of attracting and retaining quality people and getting the Guard's facilities up to speed throughout the state.

Co-Chair Hillyard asked if the National Guard had enough money to fund the Tuition Assistance Program through FY 2011. Gen. Tarbet stated that the current appropriation will carry the Tuition Assistance Program through FY 2011. He felt that it was important that tuition assistance be made available to servicemen upon their return from deployment.

B. Veterans' Affairs - (Tab 10)

Mark Bleazard, LFA, presented the Budget Brief, "Veterans' Affairs" and two Issue Briefs, "Veterans' Affairs Fees" and "Veterans' Affairs Federal Funds FY 2012."

Mr. Bleazard stated the Department of Veterans' Affairs was created through legislation in the 2007 General Session. The Department is responsible for approximately 160,000 veterans statewide. The base budget allocation for the Department of Veterans' Affairs for FY 2012 is \$1,090,900.

Mr. Bleazard stated that the Department is requesting \$200,000 for FY 2012 from the General Fund to continue the Veterans' Outreach Program. The Program assists veterans and returning national guardsmen and reservists through a variety of outreach efforts that include information and benefit fairs, workshops and briefings. The Department is also requesting the use of nonlapsing funds in FY 2011 for the following: \$130,000 - Veterans' Outreach; \$20,000 - Veterans' Cemetery; and \$15,000 - Veterans' Nursing Home.

The fees proposed for Veterans' Affairs in FY 2012 will remain the same as the current fiscal year. Mr. Bleazard stated that these fees pertain to the Veterans' Cemetery.

Finally, Mr. Bleazard called attention to the spreadsheet, "Federal Funds Request Summary for State FY 2012," that details the federal funds received by the Department of Veterans' Affairs.

Agency Response

Terry Schow, Executive Director, Department of Veterans' Affairs, expressed his appreciation to the Legislature for its support of Utah veterans and the Department of Veterans' Affairs. He distributed a chart entitled, "Veterans Compensation & Population Comparison FY 09."

Mr. Schow discussed this year's opening of the Ogden Veterans' Home, a \$20 million, 120 bed facility that brings in about \$5 million annually in federal funding. He stated that the U.S. Department of Veterans' Affairs has recently approved federal funding for the Washington County Home. Mr. Schow expects that within the next few months, the Utah County Home will receive funding as well.

Mr. Schow also discussed the Veterans' Cemetery and Veterans' Outreach Program. He stated that the Department of Veterans' Affairs has received a \$4.5 million grant from the Veterans' Administration to make improvements to the Veterans' Cemetery. The Cemetery is located next to Camp Williams in Kearns, Utah.

The Veterans' Outreach Program serves veterans who have been hurt or injured as a result of military service by keeping them informed of their benefits. Mr. Schow reported that Utah is below the national average in the percentage of veterans who are receiving compensation and pension. Utah is also below the national average for veterans who are enrolled in the VA healthcare system. To illustrate this, he referred to the chart, "Veterans Compensation & Population Comparison FY 09."

Finally, Mr. Schow pointed out that the Department of Veterans' Affairs is a state approving agency for veterans' education and the repository of military discharge documents verifying military service required to receive veterans' benefits.

Mr. Schow concluded his remarks and requested that the Legislature restore the 7 percent budget cut, and in particular, \$200,000 for the Veterans' Outreach Program.

Sen. Knudson asked why Idaho's veterans receive more compensation than Utah's veterans, especially when Idaho's veteran population is smaller than Utah's. Mr. Schow explained that Idaho and even Maine spend more money on outreach programs than Utah. Utah spends between \$100,000 - \$200,000, while Maine spends \$600,000.

Rep. Dougall inquired about asking for federal dollars that the federal government does not have. Mr. Schow explained that the federal government allocates funds for veterans' health care and veterans' compensation and pension. Any approved claim submitted to the federal VA will be paid, and any veteran who meets the eligibility requirement will receive care at the VA. In addition, if a veteran is on Medicaid and can receive care at the VA, this will save the state money on Medicaid reimbursement. Finally, a disabled veteran's quality of life is improved if he or she receives compensation and pension.

Co-Chair Brown thanked Mr. Schow for his report and stated that the committee will consider the Department's requests.

C. Capitol Preservation Board - (Tab 10)

Gary Ricks, LFA, presented the Budget Brief, "Capitol Preservation Board," and the Issue Brief, "FY 2012 Rates and Fees Capitol Preservation Board."

Mr. Ricks stated that the Capitol Preservation Board (CPB) manages all functions associated with Capitol Hill facilities and grounds. It includes maintenance and operations, furnishings, occupancy, public usage, visitor services, and food services.

Mr. Ricks called attention to the budget detail table on page 2 of the Budget Brief. He stated that House Bill 9 appropriated a base budget of \$3,405,300 for FY 2012. He pointed out that the FY 2012 General Fund appropriation of \$2,848,200 is mostly pass-thru funding to the Division of Facilities Construction and Management (DFCM) for maintenance and operations. As such, CPB will be requesting a building block of \$437,400 ongoing from the General Fund. Mr. Ricks also noted that CPB took a 7 percent cut in the amount of \$214,400. The CPB is also requesting nonlapsing intent language for its operations in FY 2011.

Agency Response

Allyson Gamble, Executive Director, Capitol Preservation Board, addressed the committee and highlighted some of the services the CPB provides to the citizens of Utah. She explained that most of the costs associated with the CPB budget include utility operations, maintenance, and the care of the Capitol Hill Complex. The Board has created several agency partnerships with DFCM, State History, State Archives, and the Arts Council. She highlighted the role DFCM plays in establishing development and maintenance standards and schedules of review. Ms. Gamble noted improvements to the Daughters of Utah Pioneer building and to the White Chapel. She recognized the efforts of Gregg Buxton and the DFCM staff to provide services for the past two years at a reduced rate.

Ms. Gamble stated that Visitor Services continues to develop and implement new programs that focus on education, public service, training, and special events. Last year, there were more than 125,000 visitors to the Capitol Hill Complex who took advantage of guided tours provided by 70 docents. She also mentioned the large number of student groups that will tour the Capitol during the Legislative Session.

Ms. Gamble noted that CPB has developed a user-friendly website, hosted more than 2,500 scheduled events in 2010, and maintained art work, exhibits, and statuary on Capitol Hill and on the grounds.

Ms. Gamble highlighted the Salt Lake Community College Culinary Institute Program that provides food services to Capitol Hill. The program provides an internship experience for more than 60 culinary students.

Ms. Gamble thanked the Legislature for its guidance during the past year as the Capitol Preservation Board moved from a construction and restoration office to a stewardship office serving the people.

Sen. Jones complimented Allyson Gamble on her professionalism and innovation. She asked if the number of CPB employees has dropped over the past few years. Ms. Gamble stated that last year when

the Board was reorganized, there were nine employees. Now there are 4.7 employees who serve an increasing number of people.

3. Budget Actions

Co-Chair Brown stated that the Committee will take motions at the next meeting.

4. Other Business

Co-Chair Brown recognized Co-Chair Hillyard for a motion.

MOTION: Co-Chair Hillyard moved to adjourn. The motion passed unanimously with Sen. Romero absent for the vote.

Co-Chair Brown adjourned the meeting at 6:04 p.m.

Sen. Lyle W. Hillyard, Co-Chair

Rep. Melvin R. Brown, Co-Chair